

CRAVATH, SWAINE & MOORE

9496

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JUN 30 1978 - 10 05 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9496 Filed & Recorded

JUN 30 1978 - 10 05 AM

INTERSTATE COMMERCE COMMISSION June 30, 1978

Dow Chemical Company

Lease Financing Dated as of May 15, 1978

8-7/8% Conditional Sale Indebtedness Due July 3, 1997

New England Merchants Leasing Corporation D, Owner

Dear Mr. Oswald:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Dow Chemical Company for filing and recordation counterparts of the following documents:

1(a) Conditional Sale Agreement dated as of May 15, 1978, between The Connecticut Bank and Trust Company, as Trustee, and each of Great American Transportation Corporation and Richmond Tank Car Company;

(b) Agreement and Assignment dated as of May 15, 1978, between Mercantile-Safe Deposit and Trust Company and each of Great American Transportation Corporation and Richmond Tank Car Company;

2(a) Lease of Railroad Equipment dated as of May 15, 1978, between Dow Chemical Company and The Connecticut Bank and Trust Company, as Trustee;

(b) Assignment of Lease and Agreement dated as of May 15, 1978, between The Connecticut Bank and Trust

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I.C.C. BR.
FEE OPERATION BR.

8-181A-21

JUN 30 1978

Date
Fee \$ 1.00

Company, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Vendor-Assignee-Agent:

Mercantile-Safe Deposit and
Trust Company,
Two Hopkins Plaza,
Baltimore, Maryland 21203.

(2) Trustee-Owner-Trustee-Lessor-Vendee:

The Connecticut Bank and Trust Company,
One Constitution Plaza,
Hartford, Connecticut 06115.

(3) Builder-Vendor:

Richmond Tank Car Company,
1700 West Loop South (Suite 1500),
Houston, Texas 77027.

General American Transportation Corporation,
120 South Riverside Plaza,
Chicago, Illinois 60606.

(4) Lessee:

Dow Chemical Company,
2020 Dow Center,
Midland, Michigan 48640.

Please file and record the documents referred to in this letter and cross-index them under the names of the Vendor-Assignee-Agent, the Trustee-Owner-Trustee-Lessor-Vendee, the Builder-Vendor and the Lessee.

The equipment covered by the aforementioned documents consists of the following:

Seven General Service Tank Cars (20,000 gal. nom. cap.) bearing identifying numbers DOWX 3764-3766, 3768, 3769, 3772, 3773, 3775-3786, 3789-3797, 3802, 3804, 3806, 3807, 3810, 3811; Seven General Service Tank Cars (23,000 gal. nom. cap.) bearing identifying numbers DOWX

3895, 3915, 3917, 3937, 3939, 3941, 3945-3949, 3951, 3953-3955, 3957-3961, 3963-3965, 3967-3971, 3973-3987; nine General Service Tank Cars (30,000 gal. nom. cap.) bearing identifying numbers DOWX 4275-4299; twenty General Service Tank Cars (20,000 gal. nom. cap.) bearing identifying numbers DOWX 3838-3887; and six Propylene Oxide Tank Cars (25,000 gal. nom. cap.) bearing identifying numbers DOWX 4483-4503 and also bearing the legend "Ownership subject to a Security Agreement filed under the Interstate Commerce Act, Section 20c".

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich

As Agent for Dow Chemical Company

Robert L. Oswald, Esq., Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

BY HAND

RECORDATION NO. 9496 Filed & Recorded

JUN 30 1978 -10 25 AM

INTERSTATE COMMERCE COMMISSION

*WHS charged
m-D*

[CS&M Ref: 2043-838A]

CONDITIONAL SALE AGREEMENT

Dated as of May 15, 1978

between

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee

and each of

GENERAL AMERICAN TRANSPORTATION CORPORATION

and

RICHMOND TANK CAR COMPANY

TABLE OF CONTENTS

	<u>Page No.</u>
ARTICLE 1. Assignment; Definitions	C-1
ARTICLE 2. Construction and Sale	C-2
ARTICLE 3. Inspection and Delivery	C-3
ARTICLE 4. Purchase Price and Payment	C-5
ARTICLE 5. Security Interest in the Equipment	C-9
ARTICLE 6. Taxes	C-10
ARTICLE 7. Maintenance; Casualty Occurrences	C-11
ARTICLE 8. Reports and Inspections	C-13
ARTICLE 9. Marking of Equipment	C-14
ARTICLE 10. Compliance with Laws and Rules	C-15
ARTICLE 11. Possession and Use	C-15
ARTICLE 12. Prohibition Against Liens	C-15
ARTICLE 13. Indemnities and Warranties	C-16
ARTICLE 14. Assignments	C-18
ARTICLE 15. Defaults	C-19
ARTICLE 16. Remedies	C-23
ARTICLE 17. Applicable State Laws	C-27
ARTICLE 18. Recording	C-27
ARTICLE 19. Article Headings; Effect and Modification of Agreement	C-28

	<u>Page No.</u>
ARTICLE 20. Notice	C-28
ARTICLE 21. Immunities; Satisfaction of Undertakings	C-29
ARTICLE 22. Law Governing	C-30
ARTICLE 23. Execution	C-30
SCHEDULE I Amortization Schedule	C-34
ANNEX A Information Concerning Equipment	C-35
ANNEX B Schedule of Equipment	C-38

CONDITIONAL SALE AGREEMENT dated as of May 15, 1978, between GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation, and RICHMOND TANK CAR COMPANY, a Delaware corporation (the foregoing corporations being hereinafter sometimes called the Vendors or Builders or individually the Vendor or the Builder as more particularly set forth in Article 1 hereof), and THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee (hereinafter called the Vendee), under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement), with New England Merchants Leasing Corporation D (hereinafter called the Beneficiary).

The Builders severally agree to construct, sell and deliver to the Vendee, and the Vendee agrees to purchase, the railroad equipment described in Annex B hereto (hereinafter called the Equipment).

The Vendee is entering into a lease dated as of the date hereof with DOW CHEMICAL COMPANY (hereinafter called the Lessee), substantially in the form annexed hereto as Annex C (hereinafter called the Lease).

Mercantile-Safe Deposit and Trust Company (hereinafter sometimes called the Assignee or the Vendor) is acting as agent for certain investors pursuant to the Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement), among the Assignee, the Beneficiary, the Lessee, the Vendee and such investors.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Assignment; Definitions. The parties hereto contemplate that the Vendee will furnish that portion of the Purchase Price (as hereinafter defined) for the Equipment as is required under subparagraph (a) of the third paragraph of Article 4 hereof and that an amount equal to the balance of such Purchase Price shall be paid to the Builders by the Assignee pursuant to an Agreement and Assignment dated as of the date hereof between the Builders and the Assignee, (such Agreement and Assignment being hereinafter called the Assignment).

The term "Vendor", whenever used in this Agreement, means, before any assignment of their rights hereunder, the parties hereto which have manufactured the Equipment and any successor or successors for the time being to their respective manufacturing properties and business, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained or, excluded from any assignment; and the term "Builder", whenever used in this Agreement, means, both before and after any such assignment, one of the parties hereto which has manufactured the Equipment and any successor or successors for the time being to its manufacturing properties and business.

The rights and obligations of the Builders under this Agreement are several in accordance with their interests and not joint. Accordingly, whenever this Agreement, by the use of such designation as "the Vendor", "such Builder", "the Builder", or other similar term, confers a right or imposes an obligation upon any corporation named in Item 1 of Schedule A hereto or its successor, such right or obligation shall be construed to accrue to or be enforceable against only the specific corporation furnishing the units of Equipment giving rise to such right or obligation and its successors as herein provided.

In case of such assignment, the Vendee will assign to the Vendor, as security for the payment and performance of all the Vendee's obligations hereunder, all right, title, and interest of the Vendee in and to the Lease, pursuant to an Assignment of Lease and Agreement in the form of Annex D hereto (hereinafter called the Lease Assignment), and the Lessee shall consent thereto pursuant to the Consent and Agreement in the form attached to Annex D (hereinafter called the Consent).

ARTICLE 2. Construction and Sale. Pursuant to this Agreement, each Builder shall construct the Equipment at its plant set forth in Annex B hereto (such Equipment with respect to each Builder being hereinafter sometimes called its Equipment), and each Builder will sell and deliver to the Vendee, and the Vendee will purchase from the Builder and accept delivery of and pay for (as hereinafter provided), such Builder's Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the particular Builder, the Vendee and the Lessee (which specifications and modifica-

tions, if any, are hereinafter called the Specifications). The design, quality and component parts of each unit of the Equipment shall conform, on the date of completion of manufacture thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as then being applicable to each such unit of Equipment, and each such unit (except to the extent, if any, referred to in Annex A hereto) will be new railroad equipment.

ARTICLE 3. Inspection and Delivery. Each Builder will deliver the units of its Equipment to the Vendee at the place or places specified in Annex B hereto (or at such other place or places designated from time to time by the Vendee), freight and storage charges, if any, prepaid and included in the Purchase Price (as hereinafter defined), in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that delivery of any unit of the Equipment shall not be made until this Agreement and the Lease have been filed pursuant to Section 20c of the Interstate Commerce Act; and provided, further, that neither Builder shall have any obligation to deliver any unit of Equipment hereunder (i) subsequent to the commencement of any proceedings specified in clause (c) of Article 15 hereof or the occurrence of any event of default (as described in Article 15 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default or (ii) unless such Builder shall have been notified by the Assignee that the conditions contained in Paragraph 7 of the Participation Agreement have been met and such Builder shall have been notified by the Vendee that the conditions contained in Paragraph 8 of the Participation Agreement have been met or waived. Each Builder agrees not to deliver any unit of Equipment hereunder following receipt of written notice from the Vendee or the Assignee (a) of the commencement of any such proceedings or the occurrence of any such event, as aforesaid, or (b) that any of the conditions contained in Paragraph 7 or 8 of the Participation Agreement have not been met or waived.

Any Equipment not delivered at the time of receipt by the Builder of the notice specified in the second sentence of the first paragraph of this Article 3 and any Equipment not delivered and accepted hereunder on or prior to June 30, 1978, shall be excluded from this Agreement, and the Vendee shall be relieved of its obligation to purchase and pay for such Equipment. If any Equipment shall be excluded herefrom pursuant to the immediately preceding sentence, the Builder

thereof and the Vendor shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom; and pursuant to the Participation Agreement the Lessee has agreed to purchase such excluded Equipment and any Equipment excluded from this Agreement pursuant to the first paragraph of Article 4 hereof from the Builder thereof as provided in Paragraph 1 of the Participation Agreement; provided, however, that the foregoing shall not be applicable to the extent that such excluded Equipment is actually delivered and accepted under a conditional sale agreement of even date among the parties hereto but with the owner trustee acting for a different beneficiary. To the extent that Equipment of either Builder is actually settled for hereunder, the Lessee shall be relieved of any further obligation in respect thereof to such Builder.

Each Builder's obligation as to the time of delivery set forth in Schedule B is subject, however, to delays resulting from causes beyond such Builder's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Vendee (who may be employees of the Lessee), and each Builder shall grant to such authorized inspectors reasonable access to its plant. Each Builder agrees to inspect the materials used in the construction of its Equipment in accordance with the standard quality control practices of such Builder. Upon completion of each unit or a number of units of the Equipment, such unit or units shall be presented to an inspector of the Vendee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of the Vendee (who may be an employee of the Lessee) shall execute and deliver to the Builder thereof a certificate of acceptance (hereinafter called the Certificate of Acceptance), stating that such unit or units have been inspected and accepted on behalf of the Vendee and are marked in accordance with Article 9 hereof; provided, however, that the Builder thereof shall not thereby be relieved of its warranty referred to in Article 13 hereof.

On delivery and acceptance of each such unit hereunder at the place specified for delivery, the Builder thereof shall not have any further responsibility for, nor bear any

risk of, any damage to or the destruction or loss of such unit; provided, however, that such Builder shall not thereby be relieved of its warranty referred to in Article 13 hereof.

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the delivery to and acceptance by or on behalf of the Vendee of any unit of Equipment excluded from this Agreement pursuant to the first paragraph of Article 4 hereof shall be ineffective, ab initio, to create in or transfer to the Vendee any legal or beneficial right or interest in such unit or (except as provided in the first paragraph of Article 4 hereof) to impose on the Vendee any liability, obligation or responsibility with respect thereto; any right or interest in any such unit created in or transferred to or purported to be created in or transferred to, the Vendee shall be held by the Vendee solely as trustee for the benefit of the Lessee.

ARTICLE 4. Purchase Price and Payment. The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as is agreed to by the Builder thereof, the Vendee, and the Lessee. The term "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased as set forth in the invoice or invoices of the Builder thereof delivered to the Vendee and, if the Purchase Price is other than the base price or prices set forth in Annex B, the invoice or invoices shall be accompanied by, or have endorsed thereon, the agreement or approval of the Lessee and the Vendee (such invoice or invoices being hereinafter called the Invoices). If on any Closing Date (as hereinafter defined in this Article) the aggregate Purchase Price of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Item 5 of Annex A hereto (or such higher amount as the Vendee may at its option agree to prior to delivery of any unit or units of Equipment that, but for such agreement, would be excluded from this Agreement), the appropriate Builder or Builders (and any assignee of such Builder or Builders) and the Vendee will enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Vendee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price under this Agreement to not more than the Maximum Purchase Price specified in Item 5 of Annex A hereto (or such higher amount as aforesaid), and the Vendee shall take such other steps, including the execution of instruments of transfer, as it may be reasonably requested by the Lessee for the purpose of acknowledging and perfecting the interest of the Lessee in any unit of Equipment so

excluded from this Agreement, and the Vendee shall have no further obligation or liability in respect of units so excluded.

The Equipment shall be settled for in such number of groups of units of the Equipment delivered to and accepted by the Vendee as is provided in Item 2 of Annex A hereto (each such group being hereinafter called a Group). The term "Closing Date" with respect to any Group shall mean such date or dates (not earlier than July 13, 1978, and not later than July 31, 1978, such later date being herein called the Cut-Off Date), occurring not more than five business days following presentation by the Builder to the Vendee of the Invoices and of the Certificate or Certificates of Acceptance for the Equipment and written notice thereof by the Builder to the Lessee, as shall be fixed by the Builder by written notice delivered to the Vendee and the Assignee at least four business days prior to the Closing Date designated therein. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Boston, Massachusetts, Baltimore, Maryland, New York, New York, or Hartford, Connecticut are authorized or obligated to remain closed.

The Vendee hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) not later than 11:00 a.m., New York City time, on the Closing Date with respect to each Group (i) an amount equal to 31.240362% of the aggregate Purchase Price of Equipment included in such Group plus (ii) the amount, if any, by which (x) the remainder of the Purchase Price of all units of the Equipment covered by this Agreement for which settlement has theretofore and is then being made, as set forth in the Invoice or Invoices therefor (said invoiced prices being herein called the Invoiced Purchase Prices), exceeds (y) the Maximum Conditional Sale Indebtedness specified in Item 6 of Annex A and any amount or amounts previously paid or payable with respect to the Invoiced Purchase Prices pursuant to this clause (ii); and

(b) in 37 semiannual installments, as hereinafter provided, an amount equal to the aggregate Purchase

Price of the units of Equipment for which settlement is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph.

The portion of the Purchase Price payable pursuant to subparagraph (b) of the preceding paragraph (herein called the Conditional Sale Indebtedness) shall be payable in 37 consecutive semiannual installments commencing July 3, 1979, to and including July 3, 1997 (or if any such date is not a business day, on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of $8-7/8\%$ per annum. Such interest shall be payable, to the extent accrued, on January 3, 1979, and on each Payment Date thereafter. The installments of principal payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto, and such installments of principal will completely amortize the Conditional Sale Indebtedness. The Vendee will furnish to the Vendor and the Lessee promptly after last Closing Date a schedule, in such number of counterparts as shall be requested by the Vendor, showing the respective amounts of principal and interest payable on each Payment Date.

Interest under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

The Vendee will pay, to the extent legally enforceable, interest upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof at the rate of $9-7/8\%$ per annum.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 15 hereof, the Vendee shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

The obligation of the Vendee to pay to the Vendor the amount required to be paid pursuant to subparagraph (a)

of the third paragraph of this Article 4 with respect to any Group shall be subject to the receipt by the Vendee of copies of the documents required to be furnished by the relevant Builder pursuant to Section 4 of the Assignment in respect of such Group.

Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 15 and 16 hereof) but not limiting the effect of Article 21 hereof, it is understood and agreed by the Vendor that the liability of the Vendee or any assignee of the Vendee for all payments to be made by it under and pursuant to this Agreement, including any liability arising out of or in connection with its representations in the Participation Agreement, or the performance of its obligations hereunder and excluding only the obligations set forth in the proviso in the third paragraph of Article 12 hereof and the payments to be made pursuant to subparagraph (a) of the third paragraph of this Article, shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment". As used herein the term "income and proceeds from the Equipment" shall mean (i) if one of the events of default specified in Article 15 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Vendee or any assignee of the Vendee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences or Voluntary Terminations (as defined in Article 7 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 10 or any other provision of the Lease (other than indemnity payments paid or payable to the Lessor in its individual capacity or to the Beneficiary under § 9 of the Lease and taxes and indemnities paid or payable to the Beneficiary under § 6 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition, and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) as are indefeasibly received by the Vendee or any assignee of the Vendee and as shall equal the portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or Voluntary Terminations) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in

no event include amounts referred to in the foregoing clauses (a) and (b) received by the Vendee or any assignee of the Vendee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or Voluntary Terminations) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Vendee or any assignee of the Vendee were required to be paid to it pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. Notwithstanding anything to the contrary contained in Article 15 or 16 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Vendee for an amount in excess of the amounts payable by the Vendee pursuant to the limitations set forth in this paragraph, it will limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph. Nothing contained herein limiting the liability of the Vendee shall derogate from the right of the Vendor to proceed against the Equipment for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder.

ARTICLE 5. Security Interest in the Equipment.

The Vendor shall and hereby does retain a security interest in the Equipment until the Vendee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Vendee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee and the Lessee as provided in this Agreement and the Lease.

Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Vendee at that time, will (a) execute a bill or bills of sale for the Equipment releasing its security interest therein to the Vendee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such bill or bills of sale to the Vendee at its address referred to in Article

20 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to the Equipment and (c) pay to the Vendee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Vendee.

ARTICLE 6. Taxes. All payments to be made by the Vendee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than gross receipts taxes [except gross receipt taxes in the nature of or in lieu of sales or use or rental taxes], taxes measured by net income, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions), all of which such impositions the Vendee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Vendee will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Vendor solely by reason of its ownership thereof (except as provided above) and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the security interest of the Vendor or result in a lien upon any part of the Equipment; provided, however, that the Vendee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal or administrative proceedings such impositions and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest or property or rights of the Vendor in or to the

Equipment or otherwise under this Agreement. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Vendee shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; provided, however, that the Vendee shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Vendee shall have approved in writing the payment thereof.

ARTICLE 7. Maintenance, Termination and Casualty Occurrences. The Vendee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order, repair and condition.

In the event that the Lease is terminated pursuant to § 7 of the Lease (hereinafter called a Termination) or any unit of the Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Vendee or the Lessee, irreparably damaged, from any cause whatsoever, or any unit shall be taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government (such occurrences being herein called Casualty Occurrences), the Vendee shall, promptly after it shall have received notice from the Lessee or has otherwise been informed of a Termination or that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the next succeeding date for the payment of an installment on the Conditional Sale Indebtedness after such notice from the Lessee has been received or on the Termination Date (as defined in the Lease) in the case of a Termination (each such date hereinafter called a Settlement Date), the Vendee shall, subject to the limitations contained in the ninth paragraph of Article 4 hereof, pay to the Vendor (i) in the case of a Casualty Occurrence, a sum equal to the Casualty Value (as hereinafter defined in this Article 7) of such unit suffering a Casualty Occurrence as of such Settlement Date, together with an amount equal to accrued interest thereon (as hereinafter provided) and (ii) in the case of a Termination, a sum equal to the Termination Value (as hereinafter defined in this Article 7) of such unit subject to such Termination as of such Settlement Date. The Vendee shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit or the Termination Value of such unit, as the case may be. Any money paid to the Vendor pursuant to this para-

graph shall be applied (after the payment of the interest and principal due on such date) on the date of such payment to prepay without penalty or premium, except in the case of a Termination, ratably in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness, together with all interest accrued on the portion of the Conditional Sale Indebtedness being prepaid. The Vendee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counter-parts as the Assignee may request, calculated as provided in Article 4 hereof. In the event of the requisition for use by the United States Government of any unit of the Equipment, all of the Vendee's obligations hereunder with respect to such unit shall continue to the same extent as if such requisition had not occurred.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Conditional Sale Indebtedness *in such respect of such unit* remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this paragraph and the next succeeding paragraph hereof, each payment of the Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all the Equipment.

The Termination Value of any unit subject to a Termination shall be the sum of (i) the Casualty Value thereof and accrued interest thereon plus (ii) a prepayment penalty premium equal to the product of the multiplication of such Casualty Value by the applicable percentage set forth below:

<u>Settlement Date</u>	<u>Percentage</u>
January 3, 1986	5.00%
July 3, 1986	4.78
January 3, 1987	4.57
July 3, 1987	4.35
January 3, 1988	4.13
July 3, 1988	3.91
January 3, 1989	3.70
July 3, 1989	3.50
January 3, 1990	3.27
July 3, 1990	3.04

January 3, 1991	2.83
July 3, 1991	2.61
January 3, 1992	2.40
July 3, 1992	2.17
January 3, 1993	1.95
July 3, 1993	1.74
January 3, 1994	1.52
July 3, 1994	1.30
January 3, 1995	1.09
July 3, 1995	0.87
January 3, 1996	0.65
July 3, 1996	0.43
January 3, 1997	0.22
July 3, 1997	0.00

Upon payment by the Vendee to the Vendor (i) of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence or (ii) of the Termination Value of any unit subject to a Termination, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Vendee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Vendee, will execute and deliver to the Vendee, at the expense of the Vendee, an appropriate instrument confirming such passage to the Vendee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Vendee may make clear upon the public records the title of the Vendee to such unit.

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence, the Vendor shall, subject to the Vendor having received payment of the Casualty Value hereunder, pay such insurance proceeds or condemnation payments to the Vendee. All insurance proceeds or condemnation payments received by the Vendor in respect of any unit or units of Equipment not suffering a Casualty Occurrence shall be paid to the Vendee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 8. Reports and Inspections. On or before April 30 in each year, commencing with the year 1979, the Vendee shall cause to be furnished to the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all units of the Equipment then subject to this Agreement, the amount, description and numbers of all units of the Equipment that

have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and setting forth such other information regarding the condition and state of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by Article 9 hereof have been preserved or replaced. The Vendor shall have the right, by its agents, to inspect the Equipment and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 9. Marking of Equipment. The Vendee will cause each unit of the Equipment to be kept numbered with the road number of the Lessee as set forth in Annex B hereto, or, in the case of Equipment not there listed, such road number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one-half inch in height, the words "Ownership subject to a Security Agreement filed under the Interstate Commerce Act, Section 20c", or other appropriate words designated by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's interest in the Equipment and its rights under this Agreement. The Vendee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such markings shall have been made thereon and will replace or will cause to be replaced promptly any such markings which may be removed, obliterated, defaced or destroyed. The Vendee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by the Vendee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Vendee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any permitted sublessees.

ARTICLE 10. Compliance with Laws and Rules. During the term of this Agreement, the Vendee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessee's or user's operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or modification of or to any part of any unit of the Equipment, the Vendee will conform therewith at its own expense; provided, however, that the Vendee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 11. Possession and Use. The Vendee, so long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Vendee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The parties hereto acknowledge that the Vendee simultaneously is leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 12. Prohibition Against Liens. The Vendee will pay or discharge any and all sums claimed by any party from, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Vendee's interests in the Lease and the payments to be made thereunder equal or superior to the Ven-

dor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

The foregoing provisions of this Article 12 shall be subject to the limitations set forth in the last paragraph of Article 4 hereof and the provisions of Article 21 hereof; provided, however, that, subject always to Paragraph 18 of the Participation Agreement, the Vendee will pay or discharge any and all claims, liens, charges or security interests claimed by any party from, through or under the Vendee or its successors or assigns, not arising out of the transactions contemplated hereby (but including tax liens arising out of the receipt of the income and proceeds from the Equipment), equal or superior to the Vendor's security interest therein, which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Vendee's interest in the Lease and the payments to be made thereunder, but the Vendee shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement or in and to the Lease and the payments to be made thereunder.

ARTICLE 13. Indemnities and Warranties. The Vendee agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the

cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement, the retention by the Vendor of title to or a security interest in the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any of the Equipment, any accident in connection with the operation, use, condition, possession, storage or return of any of the Equipment resulting in damage to property or injury or death to any person during the period when title thereto or a security interest therein remains in the Vendor or the transfer of title to the Equipment by the Vendor pursuant to any of the provisions of this Agreement, except however, in the case of either Builder, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any tort, breach of warranty or failure to perform any covenant hereunder by such Builder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price of, and the release of the security interest in, the Equipment, as provided in Article 5 hereof, or the termination of this Agreement in any manner whatsoever.

The Vendee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder (except as provided in Article 21 hereof) in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

Each Builder represents and warrants to the Vendee that, at the time of delivery and acceptance of each unit of its Equipment under this Agreement, the Vendee will have good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the rights of the Lessee under the Lease.

Each Builder represents that it is not entering into this Agreement, or entering into any assignment of this Agreement, directly or indirectly in connection with any arrangement or understanding in any way involving any employee benefit plan (other than a governmental plan) with respect to which it is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

The agreement of the parties relating to each Builder's warranty of material and workmanship and the agreement

of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto.

ARTICLE 14. Assignments. The Vendee will not (a) except as provided in Article 11 hereof, transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement without the prior written consent of the Vendor unless such sale, assignment, transfer or disposition is made expressly subject in all respects to the rights and remedies of the Vendor hereunder (including, without limitation, rights and remedies against the Vendee and the Lessee) to a finance company, bank or trust company organized under the laws of the United States or any State thereof and having its principal office in the continental United States, having a combined capital and surplus of not less than \$50,000,000 that is appointed pursuant to Article VII of the Trust Agreement, and such bank or trust company expressly assumes, in writing, in form satisfactory to the Vendor, all the obligations of the Vendee hereunder.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve either Builder from, any of the obligations of such Builder to construct and deliver its Equipment in accordance herewith or to respond to its warranties and indemnities referred to in Article 13 hereof, or relieve the Vendee of its obligations to such Builder contained in Articles 2, 3, 4, 6 and 13 hereof, Annex A hereto and this Article 14, or any other obligation which, according to its terms or context, is intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Vendee and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee of the notification of any such assignment, all payments thereafter to be made by the Vendee under this Agreement shall, to the extent

so assigned, be made to the assignee in such manner as it may direct.

The Vendee recognizes that this Agreement will be assigned to the Assignee as provided in the Assignment. The Vendee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Assignee to the entire unpaid indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of either Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by either Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee or the Lessee, as the case may be, against and only against the Builders.

ARTICLE 15. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Vendee) and such default shall continue for 20 days after the date such payment is due and payable; or

(b) the Vendee (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Vendee) or the Lessee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, or of any agreement entered into concurrently herewith relating to the financing of the Equipment, on its part to be kept and

performed or to make provision satisfactory to the Vendor for such compliance; or

(c) any proceeding shall be commenced by or against the Beneficiary, the Vendee or the Lessee for any relief which includes, or might result in, any modification of the obligations of the Vendee hereunder or of the Lessee under the Lease or the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee under this Agreement or of the Lessee under the Lease and the Consent or of the Beneficiary under the Trust Agreement, as the case may be, shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Vendee, or the Lessee, or the Beneficiary, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

(d) the Vendee shall make or permit any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment and the Vendee shall, for more than 30 days after demand in writing by the Vendor, fail to secure a reassignment or retransfer to the Vendee of such Agreement, interest or right; or

(e) an Event of Default shall have occurred under the Lease,

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Vendee, the Beneficiary and the Lessee and upon compliance with

any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the proviso in the second paragraph of § 4 of the Lease relating to the Lessee's rights of possession, use and assignment under § 12 of the Lease, cause the Lease immediately upon such notice to terminate (and the Vendee acknowledges the right of the Vendor to terminate the Lease), but without affecting the indemnities which by the provisions of the Lease survive its termination, provided, however, that such termination shall not be in derogation of or impair the rights of the Vendee to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under Section 10 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided herein), including the rights of the Vendee to sue for and recover damages provided for in Section 11(a) of the Lease upon the occurrence of an Event of Default under the Lease, and/or (ii) declare (hereinafter called a Declaration of Default) the entire unpaid Conditional Sale Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the Conditional Sale Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee, subject to the provisions of Articles 4 and 21 hereof, wherever situated. The Vendee shall promptly notify the Vendor of any event of which it has knowledge which constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

In the case of an event of default under subparagraph (c) above involving a proceeding against the Lessee, the Vendee shall have the option, for a period of 30 days after the commencement of such event of default, to prepay all, but not less than, the then outstanding Conditional Sale Indebtedness plus interest accrued to the date of such payment.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Vendee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of

default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

Anything in this Agreement to the contrary notwithstanding, in the case of any event of default occurring hereunder due to the occurrence of an Event of Default under the Lease, the Vendor shall not, without the prior written consent of the Beneficiary, exercise any remedy or remedies provided herein or in the Lease in respect thereof during a 10-day period next following the giving of written notice to the Beneficiary constituting a declaration of default as above provided. During such 10-day period, the Vendee and/or the Beneficiary shall have the right to cure, on behalf of the Lessee, such Event of Default under the Lease. Such right to cure may be exercised any number of times throughout the term of the Lease whether or not the Lessee shall at any time repay any amounts so advanced in order to cure one or more such defaults, and each such separate Event of Default occurring subsequent to an Event of Default which was theretofore cured by one or more such parties shall be subject to the notice requirement and the 10-day period during which the Vendor may not exercise his remedies as hereinabove provided. No party exercising any right to cure or any such right to cure shall obtain any lien, charge or encumbrance of any kind upon the Equipment or any rentals or other amounts payable therefor under the Lease in respect of any sums paid in connection with the exercise of such right or the curing of such Event of Default, nor shall any claims of such party against the Lessee for the repayment of such sums so advanced impair the prior right of the Vendor to the sums payable by the Lessee under the Lease; provided, however, that if no event of default hereunder shall then have occurred and be continuing and if all payments of Conditional Sale Indebtedness and interest thereon then due and owing shall have been made at the time of receipt by the Vendor from the Lessee of an overdue instalment of rental or other sum under the Lease in respect of which the Vendee or the Beneficiary shall have made payment to the Vendor pursuant to this paragraph and/or any interest payable by the Lessee in respect of the late payment thereof, such instalment or other sum and interest thereon shall be released to or at the written direction of the Vendee.

ARTICLE 16. Remedies. Subject to the Lessee's rights of possession, use and assignment under §§ 4 and 12 of the Lease at any time during the continuance of a Declaration of Default, the Vendor may, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from possession and use of the Vendee or any other person and for such purpose may enter upon the premises of the Vendee or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee, subject to all mandatory requirements of due process of law.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment to the Vendor, the Vendee shall, at its own expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, causing prompt telegraphic and written notice to be given to the Association of American Railroads and all railroads to which any unit or units of the Equipment have been interchanged to return the unit or units so interchanged) cause the Equipment to be placed upon such storage tracks of the Lessee or, at the expense of the Vendee, upon any other storage tracks, as the Vendor reasonably may designate;

(b) permit the Vendor to store the Equipment on such tracks at the risk of the Vendee without charge for rent or storage until the Equipment has been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the Equipment to be transported to any reasonable place on any lines of railroad or to any connecting carrier for shipment, all as directed by the Vendor.

During any storage period, the Vendee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and will permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers, lessees and users. This agreement to deliver

the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 16 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire Conditional Sale Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Vendee and the Lessee by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Vendee's rights in the Equipment shall thereupon terminate and all payments made by the Vendee or for its account may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Vendee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee; provided, further, that if the Vendee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Vendee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Vendee, the Lessee or any other party claiming from, through or under the Vendee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Vendee should tender full payment of the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Vendee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Vendee and the Lessee shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 20 hereof. If such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 railroads have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Vendee to purchase or provide a purchaser, within ten days after

notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Vendee or the Lessee (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder. From and after the date of any such sale, the Vendee shall pay to the Vendor an amount equal to the interest rate on the unpaid Conditional Sale Indebtedness with respect to any such unit which shall not have been assembled, as hereinabove provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser at such sale.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee or the Lessee shall not otherwise alter or affect the Vendor's rights or the Vendee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Vendee shall pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, and, if the Vendee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall, sub-

ject to the limitations of the last paragraph of Article 4 hereof, be entitled to recover a judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee.

The Vendee will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 16 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 17. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Vendee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 18. Recording. The Vendee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act; and the Vendee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments

required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its interest in the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Vendee will promptly furnish or cause to be furnished to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 19. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

Except for the Participation Agreement, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Vendee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Vendee.

ARTICLE 20. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it by first class mail, postage prepaid, at the following addresses

(a) to the Vendee, at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, with a copy thereof to the Beneficiary and to GATX Leasing Corporation at such addresses as they shall have furnished for such purpose,

(b) to the Lessee at 2020 Dow Center, Midland, Michigan 48640, Attention of Treasury Department,

(c) to a Builder, at its address specified in Item 1 of Annex A hereto,

(d) to any assignee of the Vendor, or of the Vendee, at such address as may have been furnished in writing to the Vendee, or the Vendor, as the case may be, and to the Lessee, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 21. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

The obligations of the Vendee under the second and eighth paragraphs of Article 16 and under Articles 3, 6, 7 (other than the second and third sentences of the second paragraph thereof to the extent that certificates or payment schedules are required to be prepared and furnished therein), 8, 9, 10, 12 (other than the proviso to the last paragraph thereof), 13 and 18 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Vendee shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 15 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Vendee, are made and intended not as personal representations, warranties, undertakings and agreements by the Vendee, or for the purpose or with the intention of binding the Vendee personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, subject to the limitations of Article 4, and this Agreement is executed and delivered by the Vendee not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Vendee or the Beneficiary on account of this Agreement or on account of any representation, warranty, undertaking or agreement of the Vendee or the

Beneficiary, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor.

The Vendee agrees that it will not enter into any amendment to or modification of the Trust Agreement except as provided in Article VIII thereof.

ARTICLE 22. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Connecticut; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 23. Execution. This Agreement may be executed in any number of counterparts, such counterparts together constituting but one and the same contract, but the counterpart delivered to the Assignee pursuant to the Assignment shall be deemed the original and all other counterparts shall be deemed duplicates thereof. Each Builder shall be bound hereunder notwithstanding the failure of any other Builder to execute and deliver this Agreement or to perform its obligations hereunder. Although for convenience this Agreement is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

GENERAL AMERICAN TRANSPORTATION
COMPANY, CORPORATION

by



Vice President
Chairman of the Board

[CORPORATE SEAL]

Attest:



Assistant Secretary

RICHMOND TANK CAR COMPANY,

by

[CORPORATE SEAL]

Vice President

Attest:

Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, as Owner Trustee as
aforesaid,

by

[CORPORATE SEAL]

Authorized Officer

Attest:

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

Chairman of the Board

On this 28th day of June 1978, before me personally appeared C.E. Coy, to me personally known, who, being by me duly sworn, says that he is a ~~Vice President~~ of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Raymond L. O'Leary
 Notary Public

My Commission expires April 29, 1980

STATE OF TEXAS,)
) ss.:
 COUNTY OF HARRIS,)

On this day of 1978, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of RICHMOND TANK CAR COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

 Notary Public

My Commission expires

STATE OF CONNECTICUT,)
)
COUNTY OF HARTFORD,) ss.:

On this day of 1978, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

SCHEDULE I

Allocation Schedule of Each \$1,000,000
of Conditional Sale Indebtedness Payable
in Installments

<u>Payment Number</u>	<u>Date</u>	<u>Debt Service</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Remaining Principal Balance</u>
Interim	1/3/79	\$ *	\$ *	\$ -0-	\$1,000,000.00
1	7/3/79	55,891.80	44,375.00	11,516.80	988,483.20
2	1/3/80	55,891.80	43,863.94	12,027.86	976,455.34
3	7/3/80	55,891.80	43,330.21	12,561.59	963,893.75
4	1/3/81	55,891.80	42,772.79	13,119.01	950,774.74
5	7/3/81	55,891.80	42,190.63	13,701.17	937,073.57
6	1/3/82	55,891.80	41,582.64	14,309.16	922,764.41
7	7/3/82	55,891.80	40,947.67	14,944.13	907,820.28
8	1/3/83	55,891.80	40,284.52	15,607.28	892,213.00
9	7/3/83	55,891.80	39,591.95	16,299.85	875,913.15
10	1/3/84	55,891.80	38,868.65	17,023.15	858,890.00
11	7/3/84	55,891.80	38,113.24	17,778.56	841,111.44
12	1/3/85	55,891.80	37,324.32	18,567.48	822,543.96
13	7/3/85	55,891.80	36,500.39	19,391.41	803,152.55
14	1/3/86	55,891.80	35,639.89	20,251.91	782,900.64
15	7/3/86	55,891.80	34,741.22	21,150.58	761,750.06
16	1/3/87	55,891.80	33,802.66	22,089.14	739,660.92
17	7/3/87	55,891.80	32,822.45	23,069.35	716,591.57
18	1/3/88	55,891.80	31,798.75	24,093.05	692,498.52
19	7/3/88	55,891.80	30,729.62	25,162.18	667,336.34
20	1/3/89	55,891.80	29,613.05	26,278.75	641,057.59
21	7/3/89	55,891.80	28,446.93	27,444.87	613,612.72
22	1/3/90	55,891.80	27,229.06	28,662.74	584,949.98
23	7/3/90	55,891.80	25,957.16	29,934.64	555,015.34
24	1/3/91	55,891.80	24,628.81	31,262.99	523,752.35
25	7/3/91	55,891.80	23,241.51	32,650.29	491,102.06
26	1/3/92	55,891.80	21,792.65	34,099.15	457,002.91
27	7/3/92	55,891.80	20,279.50	35,612.30	421,390.61
28	1/3/93	55,891.80	18,699.21	37,192.59	384,198.02
29	7/3/93	55,891.80	17,048.79	38,843.01	345,355.01
30	1/3/94	55,891.80	15,325.13	40,566.67	304,788.34
31	7/3/94	55,891.80	13,524.98	42,366.82	262,421.52
32	1/3/95	55,891.80	11,644.95	44,246.85	218,174.67
33	7/3/95	55,891.80	9,681.50	46,210.30	171,964.37
34	1/3/96	55,891.80	7,630.92	48,260.88	123,703.49
35	7/3/96	55,891.80	5,489.34	50,402.46	73,301.03
36	1/3/97	55,891.80	3,252.73	52,639.07	20,661.96
37	7/3/97	21,578.83	916.87	20,661.96	.00
Totals		<u>\$1,937,291.28</u>	<u>\$937,291.28</u>	<u>\$1,000,000.00</u>	

* Interest only in the Conditional Sale Indebtedness shall be payable to the extent accrued on this date.

Annex A

to

Conditional Sale Agreement

Item 1: (a) General American Transportation Corporation,
120 South Riverside Plaza, Chicago, Illinois
60606, Attention of Law Department.

(b) Richmond Tank Car Company, 1700 West Loop South
(Suite 1500), Houston, Texas 77027, Attention
of Jim F. Herring, Vice President.

Item 2: The Equipment shall be settled for in not more than
1 Group of units of the Equipment delivered to
and accepted by the Vendee unless a greater number
shall be agreed to by the parties hereto.

Item 3: Each Builder warrants that the Equipment built by it
will be built in accordance with the Specifications
and the standards and requirements set forth in
Article 2 of the Conditional Sale Agreement to which
this Annex is attached (hereinafter called the
Agreement) and warrants that its Equipment will be
free from defects in material (except as to special-
ties incorporated therein and workmanship with
respect thereto specified by the Lessee and not
manufactured by such Builder) and workmanship under
normal use and service. Each Builder's liability
under this Item 3 is limited to repair or replacement
at its plant of any part or parts of any unit of its
Equipment which shall, within one year after the
delivery of such unit of Equipment to the Vendee (or,
in the case of patent defects, within 10 days after
delivery), be returned to such Builder with trans-
portation charges prepaid and which examination by
such Builder shall disclose to its satisfaction to
have been thus defective. Any unit of a Builder's
Equipment repaired, replaced or altered outside of
such a Builder's plant, the repair, replacement or
alteration of which in such Builder's judgment has
adversely affected in any way the strength and
performance of such unit of Equipment, is removed
from this warranty. In no event shall a Builder be
liable to anyone for any incidental, special or
consequential damages of any kind. The foregoing
warranty is expressly in lieu of all other warranties,

expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and neither Builder assumes or authorizes any person to assume for it any other liability in connection with the construction and delivery of its Equipment, except for the patent indemnification included in Item 4 hereof and as aforesaid.

Each Builder further agrees with the Vendee that neither the inspection as provided in Article 3 of the Agreement, nor any examination, nor the acceptance of any units of its Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Vendee of any of its rights under this Item 3.

- Item 4: Except in cases of articles or materials specified by the Lessee and not manufactured by a Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by a Builder, each Builder agrees to indemnify, protect and hold harmless the Vendee, the Beneficiary and the Lessee from and against any and all liability, claims, costs, charges and expense, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee, the Beneficiary or the Lessee, their assigns or the users of its Equipment, because of the use in or about the construction or operation of any of its Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Vendee, the Beneficiary and the Lessee will give prompt notice to the appropriate Builder of any claim known to them, respectively, from which liability may be charged against such Builder hereunder. At its expense and cost, such Builder with its counsel shall defend such claim. The Vendee, the Beneficiary and the Lessee shall provide such information as they may possess reasonably to enable such Builder to defend such claim. Each Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Vendee, the Beneficiary and the Lessee every claim, right and cause of action which such Builder has or hereafter

shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by such Builder for use in or about the construction or operation of any of its Equipment on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. Each Builder further agrees to execute and deliver to the Vendee, the Beneficiary and the Lessee or the users of its Equipment all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

- Item 5: The Maximum Purchase Price referred to in Article 4 of the Conditional Sale Agreement to which this Annex A is attached is \$1,802,400 plus 100/68.759638 of the amount, if any, by which the investment of the Investor may be increased pursuant to Paragraph 2 of the Participation Agreement.
- Item 6: The Maximum Conditional Sale Indebtedness referred to in Article 4 of the Conditional Sale Agreement to which this Annex A is attached is \$1,239,324 plus the amount, if any, by which the investment of the Investor may be increased pursuant to Paragraph 2 of the Participation Agreement.

Annex B
to
Conditional Sale Agreement

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Road* Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
<u>GATX</u>								
General Service Tank Car 20,000 gal. nom. cap.	T	TC-6322-1	Masury, Ohio	7	DOWX 3764-3766 3768, 3769, 3772 3773, 3775-3786 3789-3797, 3802 3804, 3806, 3807, 3810, 3811	\$39,800	\$278,600	June 1978, at Masury, Ohio
General Service Tank Car 23,000 gal. nom. cap.	T	TC-6322-3	Masury, Ohio	7	DOWX 3895, 3915, 3917, 3937, 3939, 3941, 3945-3949, 3951, 3953-3955, 3957-3961, 3963-3965, 3967-3971, 3973-3987	41,400	289,800	June 1978, at Masury, Ohio.
General Service Tank Car 30,000 gal. nom. cap.	T	TC-6322-5	Masury, Ohio	9	DOWX 4275-4299	37,000	333,000	June 1978, at Masury, Ohio.
				23			\$901,400	

Annex B
to
Conditional Sale Agreement

Type	AAR Mechanical Designation	Builder's Specifi- cations	Builder's Plant	Quantity	Lessee's Road* Numbers (Both Inclusive)	Estimated Unit Base Price	Estimated Total Base Price	Estimated Time and Place of Delivery
<u>Richmond Tank Car Company</u>								
General Service Tank Car 20,000 gal. nom. cap.	T	2810-TS	Sheldon, Texas	20	DOWX 3838-3887	\$32,000	\$ 640,000	June 1978, at Sheldon, Texas.
Propylene Oxide Tank Car 25,000 gal. nom. cap.	T	2862-TS	Sheldon, Texas	6	DOWX 4483-4503	43,500	261,000	June 1978, at Sheldon, Texas.
				<u>26</u>			<u>901,000</u>	
				<u>49</u>			<u>\$1,802,400</u>	

* Units of Equipment delivered and accepted hereunder will bear Road Numbers included in the groups of Road Numbers listed above. Upon completion of all deliveries, this Annex B will be appropriately amended to delete the Road Numbers listed above which were not involved in such deliveries.